

**Application for
Montana
Section 1915(b) (4) Behavioral Health
SDMI Waiver
Fee-for-Service
Selective Contracting Program**

July 1, 2018

DRAFT

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Application for Section 1915(b) (4) Waiver Fee-for-Service (FFS) Selective Contracting Program

Facesheet

The **State** of Montana requests a waiver/amendment under the authority of section 1915(b) of the Act. The Medicaid agency will directly operate the waiver.

The **name of the waiver program** is 1915(b)(4) Behavioral Health Severe Disabling Mental Illness (SDMI) Waiver.

(List each program name if the waiver authorizes more than one program.).

Type of request. This is:

- ☒ an initial request for new waiver. All sections are filled.
☐ a request to amend an existing waiver, which modifies Section/Part _____
☐ a renewal request

Section A is:

- ☐ replaced in full
☐ carried over with no changes
☐ changes noted in **BOLD**.

Section B is:

- ☐ replaced in full
☐ changes noted in **BOLD**.

Effective Dates: This waiver/renewal/amendment is requested for a period of 2 years beginning 07/01/2018 and ending 06/30/2020.

State Contact: The State contact person for this waiver is Jennifer Fox and can be reached by telephone at (406) 444-4927, or fax at (406) 444-4435, or e-mail at JenFox@mt.gov. (List for each program)

Section A – Waiver Program Description

Part I: Program Overview

Tribal Consultation:

Describe the efforts the State has made to ensure that Federally-recognized tribes in the State are aware of and have had the opportunity to comment on this waiver proposal.

The State sends tribal consultation to all federally-recognized Tribal Governments, Urban Centers, and Tribal Health Departments of the State's intent to submit a Medicaid waiver request to CMS at least 28 days before the submission date. The consultation provides a summary of the waiver request and an opportunity to comment on the proposal. Tribal consultation was sent on December 27, 2017.

Program Description:

Provide a brief description of the proposed selective contracting program or, if this is a request to amend an existing selective contracting waiver, the history of and changes requested to the existing program. Please include the estimated number of enrollees served throughout the waiver.

The 1915(b)(4) SDMI Waiver is limited to the provision of waiver case management services in the 1915(c) SDMI Waiver. The state will be seeking to continue waiver case management services through a limited number of providers through the procurement process. The selected provider(s) will enter into the standard Medicaid provider agreement but will meet additional quality standards and perform enhanced quality monitoring and remediation duties identified through the procurement process.

Waiver Services:

Please list all existing State Plan services the State will provide through this selective contracting waiver.

The 1915(b)(4) SDMI Waiver is limited to the provision of waiver case management services in the 1915(c) SDMI Waiver.

A. Statutory Authority

1. **Waiver Authority.** The State is seeking authority under the following subsection of 1915(b):

 x **1915(b) (4) - FFS Selective Contracting program**

2. **Sections Waived.** The State requests a waiver of these sections of 1902 of the Social Security Act:

a. **Section 1902(a) (1) - Statewideness**

b. **Section 1902(a) (10) (B) - Comparability of Services**

- c. ☒ **Section 1902(a) (23) - Freedom of Choice**
d. ☐ **Other Sections of 1902** – (please specify)

B. Delivery Systems

1. **Reimbursement.** Payment for the selective contracting program is:

- ☐ the same as stipulated in the State Plan
☒ is different than stipulated in the State Plan (please describe)

Reimbursement for waiver case management services in the 1915(c) SDMI Waiver will be based on a rate defined in state regulations as a fee-for-service. The rate was established historically as a negotiated rate and has been adjusted across the years by legislative provider rate increases. Montana will use a competitive procurement process to select providers of waiver case management services who will be reimbursed fee for service for waiver case management.

2. **Procurement.** The State will select the contractor in the following manner:

- ☒ **Competitive** procurement
☐ **Open** cooperative procurement
☐ **Sole source** procurement
☐ **Other** (please describe)

C. Restriction of Freedom of Choice

1. **Provider Limitations.**

- ☒ Beneficiaries will be limited to a single provider in their service area.
☐ Beneficiaries will be given a choice of providers in their service area.

(NOTE: Please indicate the area(s) of the State where the waiver program will be implemented)

Based on the procurement process, members will be served statewide by one 1915(c) SDMI Waiver provider or served by one provider per service area. Services areas will be defined by a specific grouping of counties.

2. **State Standards.**

Detail any difference between the state standards that will be applied under this waiver and those detailed in the State Plan coverage or reimbursement documents.

The selected provider(s) will enter into the standard Medicaid provider agreement but will meet additional quality standards and perform enhanced quality monitoring and remediation duties identified through the solicitation process.

D. Populations Affected by Waiver

(May be modified as needed to fit the State's specific circumstances)

1. **Included Populations.** The following populations are included in the waiver:

- ☐ Section 1931 Children and Related Populations
- ☒ Section 1931 Adults and Related Populations
- ☒ Blind/Disabled Adults and Related Populations
- ☐ Blind/Disabled Children and Related Populations
- ☒ Aged and Related Populations
- ☐ Foster Care Children
- ☐ Title XXI CHIP Children

2. **Excluded Populations.** Indicate if any of the following populations are excluded from participating in the waiver:

- ☐ Dual Eligibles
- ☐ Poverty Level Pregnant Women
- ☐ Individuals with other insurance
- ☒ Individuals residing in a nursing facility or ICF/MR
- ☐ Individuals enrolled in a managed care program
- ☒ Individuals participating in a HCBS Waiver program
- ☐ American Indians/Alaskan Natives
- ☐ Special Needs Children (State Defined). Please provide this definition.
- ☐ Individuals receiving retroactive eligibility
- ☒ Other (Please define):

The population covered in this waiver is limited to enrollees of the 1915(c) SDMI Waiver. Eligibility for the 1915(c) SDMI Waiver are those Medicaid members who are 18 years of age or older with SDMI who meet criteria for nursing home level of care. The 1915(b)(4) SDMI Waiver will run concurrently with the 1915(c) SDMI Waiver.

Excluded 1915(b)(4) SDMI Waiver populations would include any individual not eligible for the 1915(c) SDMI Waiver.

Part II: Access, Provider Capacity and Utilization Standards

A. Timely Access Standards

Describe the standard that the State will adopt (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State has adopted) defining timely Medicaid beneficiary access to the contracted services, *i.e.*, what constitutes timely access to the service?

Montana has historically contracted with 1915(c) SDMI Waiver case management entities through Medicaid enrollment. The selection of providers through this process will not reduce capacity from current levels. The state will be seeking to continue 1915(c) SDMI Waiver case management services through a limited number of providers

through the procurement process. Request for proposals for 1915(c) SDMI Waiver case management services require commitment to standards of staffing ratios and timeframes regarding referral and assessment for 1915(c) SDMI Waiver case management services. Timely access is detailed in program policy and monitored as part of the ongoing quality assurance review work that is detailed in the 1915(c) SDMI Waiver. Access is dependent on referral to the waiting list for the SDMI 1915(c) Waiver and subsequent enrollment.

1. How does the State measure (or propose to measure) the timeliness of Medicaid beneficiary access to the services covered under the selective contracting program?

Timely access is detailed in the program policy and monitored as ongoing quality assurance review work detailed in the 1915(c) SDMI Waiver.

2. Describe the remedies the State has or will put in place in the event that Medicaid beneficiaries are unable to access the contracted service in a timely fashion.

The state intends to proceed with carrying out the liquid damage provisions of the waiver case management contract in the event a member is unable to timely access waiver case management services.

B. Provider Capacity Standards

Describe how the State will ensure (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State has ensured) that its selective contracting program provides a sufficient supply of contracted providers to meet Medicaid beneficiaries' needs.

Montana has historically contracted with 1915(c) SDMI Waiver case management entities through Medicaid enrollment. The selection of providers through this process will not reduce capacity from current levels. The state will be seeking to continue 1915(c) SDMI Waiver case management services through a limited number of providers through the procurement process. Request for proposals for 1915(c) SDMI Waiver case management services require commitment to standards of staffing ratios and timeframes regarding referral and assessment for waiver services. Access to waiver case management services is assured up to the 1915(c) SDMI Waiver capacity and funding.

1. Provide a detailed capacity analysis of the number of providers (e.g., by type, or number of beds for facility-based programs), or vehicles (by type, per contractor for non-emergency transportation programs), needed per location or region to assure sufficient capacity under the selective contracting program.

Montana currently serves the waiver case management obligations of the 1915(c) SDMI Waiver through one provider per services area. The selection of 1915(c) SDMI Waiver case management providers through the procurement process will not diminish the capacity. The state will select one 1915(c) SDMI Waiver case management provider to deliver waiver case management services statewide or one

provider to deliver waiver case management services to a service area defined by a specific grouping of counties.

2. Describe how the State will evaluate and ensure on an ongoing basis that providers are appropriately distributed throughout the geographic regions covered by the selective contracting program so that Medicaid beneficiaries have sufficient and timely access throughout the regions affected by the program.

Through the procurement process, Montana will select one 1915(c) SDMI Waiver case management provider to deliver waiver case management services statewide or one provider to deliver waiver case management services to a service area defined by a specific grouping of counties. Timely access is detailed in the program policy and monitored as a part of the ongoing quality assurance review work detailed in the 1915(c) SDMI Waiver.

C. Utilization Standards

Describe the State's utilization standards specific to the selective contracting program.

1. How will the State (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State) regularly monitor(s) the selective contracting program to determine appropriate Medicaid beneficiary utilization, as defined by the utilization standard described above?

Beneficiary utilization is detailed in the program policy and monitored as a part of the ongoing quality assurance review work detailed in the 1915(c) SDMI Waiver.

Montana also preforms annual site reviews. If program policy is not followed, the state intends to proceed with carrying out the liquid damage provisions of the waiver case management contract.

2. Describe the remedies the State has or will put in place in the event that Medicaid beneficiary utilization falls below the utilization standards described above.

The 1915(c) SDMI Waiver / 1915(b)(4) program manager will gather information through annual site reviews, providers and other methods to identify ongoing trends, patterns and areas of concern. Once the area/s of concern is identified, the program manager will develop a strategy to address the area/s of concern and implement a resolution. If program policy is not followed or the 1915(c) SDMI Waiver provider is not fulfilling the provisions of the contract, the state intends to proceed with carrying out the liquid damage provisions of the waiver case management contract.

Part III: Quality

A. Quality Standards and Contract Monitoring

1. Describe the State's quality measurement standards specific to the selective contracting program.

a. Describe how the State will (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State):

i. Regularly monitor(s) the contracted providers to determine compliance with the State's quality standards for the selective contracting program.

All 1915(c) SDMI Waiver case management teams are required to submit monthly utilization reports to the state. The state analyzes these reports to monitor waiver case management teams to ensure they don't exceed their level of capacity to serve additional members.

The state also performs an annual 1915(c) SDMI Waiver case management team onsite reviews.

ii. Take(s) corrective action if there is a failure to comply.

2. Describe the State's contract monitoring process specific to the selective contracting program.

a. Describe how the State will (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State):

i. Regularly monitor(s) the contracted providers to determine compliance with the contractual requirements of the selective contracting program.

Montana currently performs annual 1915(c) SDMI Waiver onsite reviews. Community Program Officers (CPO) have oversight and monthly contact with waiver case management providers. Timely access is detailed in the program policy and monitored as a part of the ongoing quality assurance review work detailed in the 1915(c) SDMI Waiver.

ii. Take(s) corrective action if there is a failure to comply.

Montana performs annual 1915(c) SDMI Waiver onsite reviews. If it is determined during this review that policy was not followed, the state intends to proceed with carrying out the liquid damage provisions of the waiver case management contract.

B. Coordination and Continuity of Care Standards

Describe how the State assures that coordination and continuity of care is not negatively impacted by the selective contracting program.

Part IV: Program Operations

A. Beneficiary Information

Describe how beneficiaries will get information about the selective contracting program.

B. Individuals with Special Needs.

- The State has special processes in place for persons with special needs (Please provide detail).

Section B – Waiver Cost-Effectiveness & Efficiency

Efficient and economic provision of covered care and services:

1. Provide a description of the State's efficient and economic provision of covered care and services.

Montana has historically contracted with 1915(c) SDMI Waiver case management entities through Medicaid enrollment. The selection of 1915(c) SDMI Waiver waiver case management providers through this process will not reduce capacity from current levels. The state will be seeking to continue waiver case management services through a limited number of 1915(c) SDMI Waiver case management providers through the procurement process. Request for proposals for waiver case management services require commitment to standards of staffing ratios and timeframes regarding referral and assessment for 1915(c) SDMI Waiver services.

Reimbursement for waiver case management services in the 1915c SDMI Waiver is based on a fee for service rate. The rate was established historically as a negotiated rate and has been adjusted across the years by legislative provider rate increases. Montana will use a competitive procurement process to select 1915(c) SDMI Waiver case management providers reimbursed fee for service.

2. Project the waiver expenditures for the upcoming waiver period.

Year 1 from: 07/01/2018 to 06/30/2019

Trend rate from current expenditures (or historical figures): _____%

Projected pre-waiver cost 257*12.08*30=\$93,136.80

Projected Waiver cost 257*12.08*30=\$93,136.80

Difference: 0

Year 2 from: 07/01/2019 to 06/30/2020

Trend rate from current expenditures (or historical figures): _____%

Projected pre-waiver cost 257*12.08*30=\$93,136.80

Projected Waiver cost 257*12.08*30=\$93,136.80

Difference: 0

Year 3 (if applicable) from: / / to / /

(For renewals, use trend rate from previous year and claims data from the CMS-64)

Projected pre-waiver cost _____

Projected Waiver cost _____

Difference: _____

Year 4 (if applicable) from: / / to / /

(For renewals, use trend rate from previous year and claims data from the CMS-64)

Projected pre-waiver cost _____

Projected Waiver cost _____

Difference: _____

Year 5 (if applicable) from: / / to / /

(For renewals, use trend rate from previous year and claims data from the CMS-64)

Projected pre-waiver cost _____

Projected Waiver cost _____

Difference: _____